

BEFORE
THE PUBLIC SERVICE COMMISSION
SOUTH CAROLINA
DOCKET NO. 2011-194-T

IN RE:

APPLICATION OF AMERICA'S MOVING
SERVICES, LLC FOR A CLASS E CERTIFICATE
OF PUBLIC CONVENIENCE AND NECESSITY TO
TRANSPORT HOUSEHOLD GOODS

TELEPHONE

DEPOSITION OF: GARY CROSS

DATE: September 7, 2011

TIME: 2:02 P.M.

LOCATION: Law Offices of
Ellis Lawhorne & Sims, PA
1501 Main Street, 5th Floor
Columbia, SC

TAKEN BY: Counsel for the Applicant

REPORTED BY: LORI S. MORTGE,
Certified Court
Reporter, CCR

A. WILLIAM ROBERTS, JR., & ASSOCIATES

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24
25 (INDEX AT REAR OF TRANSCRIPT)

1 STIPULATION

2 It is stipulated by and between Counsel
3 that this deposition is being taken in accordance
4 with the Federal Rules of Civil Procedure; that all
5 objections as to Notice of this deposition are
6 hereby waived; that all objections except as to form
7 are reserved until the time of trial.

8 * * * * *

9 GARY CROSS

10 being first duly sworn, testified as follows:

11 EXAMINATION

12 BY MR. PRINGLE:

13 Q. I'm just going to start by doing some
14 procedural things about the deposition. This is a
15 telephone deposition that's being given in Docket
16 Number 2011-194-T, the application of America's
17 Moving Services, LLC for a Class E Certificate of
18 Public Convenience and Necessity to Transport
19 Household Goods. And it's being taken per a
20 Commission order or directive, I believe Order
21 Number 2011-556 in the docket that I just mentioned.

22 Mr. Cross, if you would, please state
23 your full name and business address.

24 A. Gary Patrick Cross. Business address is
25 2330 Devine Street, Columbia, South Carolina 29205.

1 The business name is Weichert's Realtors,
2 W-E-I-C-H-E-R-T.

3 Q. Okay. Weichert Realtors here in
4 Columbia. What do you do for a living with Weichert
5 Realtors?

6 A. My main responsibilities are to list and
7 sell residential and commercial real estate,
8 primarily dealing with a lot of first time home
9 buyers, retailers and investors.

10 Q. Okay. How -- would that make your title
11 an agent?

12 A. I actually have my broker's license.

13 Q. Okay. So you are a real estate broker?

14 A. Correct.

15 Q. Okay. What -- how long have you been --
16 how long have you been a broker?

17 A. Since 2006.

18 Q. Okay. Have you been employed with
19 Weichert since 2006?

20 A. Yes. Since 2003 I've been employed with
21 Weichert.

22 Q. 2003. Okay. In addition to what you're
23 doing right now with Weichert, what other kinds of
24 things have you done previously while working for
25 Weichert, if they're different from what you're

1 doing now?

2 A. I do BPO's with title --

3 Q. A broker price opinion?

4 A. Right.

5 Q. Okay.

6 A. And I also work with Wells Fargo home
7 mortgage and I work with loan modification reviews.

8 Q. Tell me what loan modification reviews
9 involve.

10 A. Mostly work with homeowners, to get
11 their loan modified from a high interest rate to a
12 low interest rate and get their payments lower.

13 Q. Essentially is a way to try to stay away
14 from the foreclosure process?

15 A. Yes, to avoid foreclosure. To actually
16 avoid short sales if necessary as well.

17 Q. Okay. Tell me -- I know, but tell me
18 what a short sale is.

19 A. A short sale is when the lender agrees
20 to allow the buy -- allow the seller to sell their
21 property for less than full market value and for
22 less than what they actually owe on the property
23 itself. It is a process that takes about 120
24 business days to get this process done. What it
25 entails, it avoids having the borrower or the seller

1 to go through the foreclosure process.

2 Q. Right.

3 A. And it enables someone to sell the
4 property without taking a total loss.

5 Q. Right. Everybody gets out before the
6 bleeding gets too bad?

7 A. Pretty much.

8 Q. Okay. All right. I jumped into the
9 questions before -- I was going to ask you a couple
10 of preliminary questions.

11 A. No problem.

12 Q. If you would, and you're already doing
13 this and this is less of a problem since you're on
14 the telephone, but make sure that when I ask you a
15 question you go ahead and give a verbal answer. I
16 don't guess it makes sense that you would shake your
17 head yes or no while you're on the telephone, but
18 just so the Court Reporter can be sure. And I'll
19 finish a question before you answer it, and let's
20 both try to talk I guess reasonably slowly so that
21 the Court Reporter can get this down; okay?

22 A. No problem.

23 Q. Okay. You've already told me a little
24 bit about what you do and what you have done with
25 Weichert, but give me an idea of what you might do

1 in a typical business day.

2 A. Well, working for Weichert what I do is
3 normally get on the computer, start looking at
4 recent listings that have expired, contacting
5 sellers to see how much their motivation is to
6 re-list their home and whether or not they are
7 planning on remaining in the Columbia area or moving
8 to a different state. If I'm lucky I tend to phone
9 calls, get probably four people on the phone. Out
10 of those four one, maybe two, I'll get an
11 appointment and hopefully get a listing. At that
12 time I gauge the homeowner as to their motivation
13 for selling and where they're actually moving to.

14 Also in the course of a day we receive
15 buyer leads from our corporate department in New
16 Jersey. These buyer leads come from all over.
17 People who are relocating from New Jersey, New York,
18 California, Oklahoma, Texas. No matter where
19 they're moving from, if they are planning on moving
20 to the Columbia area -- Lugoff/Elgin/Lexington area.

21 Q. Let me interrupt you. Do some of
22 those -- do some of those leads involve people who
23 are relocating from other places or cities in South
24 Carolina?

25 A. They do, and they also involve people

1 who actually are living here in Lexington and in
2 Columbia. That's also in Lugoff, Camden, who are
3 searching the west side for properties or bigger
4 places to move or down-sizing. People who are
5 looking to get back into homeownership, you know,
6 after they lost their houses a couple of years ago.
7 So it is out of state and in-state referrals that we
8 see.

9 Q. Okay. And what else do you do with
10 those leads in a day?

11 A. We try to schedule appointments, give
12 the prospective clients motivation for purchasing,
13 their needs as far as what they're looking for in a
14 home, location. And once we set an appointment to
15 go review properties, you know, I'll e-mail
16 properties and I'll make an appointment to go out
17 and actually view them.

18 Q. Okay. And then after -- after you view
19 them are you also involved in the process through
20 which properties are bought and sold?

21 A. Yes, sir. I negotiate sales contracts
22 and listing agreements. With sales contracts I'm
23 with the -- I'm with the clients through the entire
24 process, through the signing of the contract,
25 through negotiations, through inspections and up

1 through moving dates and closing.

2 Q. Okay. As I already mentioned, this --
3 the reason we're having this deposition is that
4 America's Moving Services is seeking to be a
5 household goods mover to provide moves within the
6 State of South Carolina, from one place in South
7 Carolina to another. Based upon the kind of
8 day-to-day experience that you've just described to
9 me, what kind of -- what kind of knowledge or
10 connection to or relationship with the household
11 goods moving industry do you have as a broker and as
12 an agent?

13 A. Well, I will say the percentage of my
14 business I deal with home movers probably is less
15 than 25 percent.

16 Q. Okay.

17 A. A lot of these -- we get a lot of people
18 who are relocating from out of state due to job
19 relocation, they already have their relocation
20 package already set. A lot of people you're dealing
21 with the military who are moving from Fort Jackson
22 or who are just arriving in Fort Jackson and looking
23 for a place, they kind of go through -- what is that
24 called -- the PCFs (phonetic), meaning they have
25 their own program that they kind of set those people

1 up with the moving companies.

2 Q. So something that the military does?

3 A. Yes. I have to tell you that a lot of
4 people that use the military moving services are not
5 too happy.

6 Q. Oh, really?

7 A. Yeah.

8 Q. Tell me about that.

9 A. Well, their stuff is stored in, like,
10 cardboard boxes and it's put on the truck, it's not
11 an 18-wheeler that's enclosed. Their stuff comes,
12 you know, unpacked -- it's packed but in disarray,
13 lots of stuff is broken and missing and it doesn't
14 look secure. The way this looks like, okay, where
15 did you get this truck from, you know. But most
16 people aren't too happy with that.

17 Q. Okay. So you mentioned the amount of
18 your business that might involve actual knowledge of
19 the moving industry. Tell me what you do know about
20 the household goods moving industry.

21 A. Well, what I do know is that they do
22 transport people's property based on pounds is how
23 they price their move, you know. If you have over
24 3,000 pounds, it could cost you about 4,000 to
25 \$5,000.

1 Q. Right.

2 A. And a lot of times people will get
3 quoted one price and they'll sign up and move all
4 their stuff, and turns up their pounds are more or
5 the trip was longer than expected or they ran into
6 some type of difficulty because the closing did not
7 occur when they were supposed to and the moving
8 company had to hold their goods for another week,
9 you know, storage. They charge these people
10 enormous amounts of money, you know, on top of what
11 they've already paid. And sometimes it causes a
12 nightmare for the homeowner, because they're already
13 moving into these homes after spending so much on
14 closing costs and moving expenses.

15 So I've heard a few nightmares about
16 some moving companies overcharging people and
17 holding their goods until they pay up and stuff like
18 that.

19 Q. Sure. Well, in your work as a broker
20 and as an agent working with homeowners who -- and
21 people who are buying and renting houses, do you
22 have occasion to recommend movers or to help your
23 clients get moves set up?

24 A. Yes. We always offer that service. We
25 are a full service real estate company, and we offer

1 everything from home mortgages to moving services to
2 inspectors. We don't give an appraisal or anything
3 like that, but we're a full service real estate
4 company, yes. Moving services is one area we do
5 recommend.

6 Q. Okay.

7 A. Services of clients.

8 Q. Okay. If America's Moving Services --
9 I'll just refer to them as AMS. If the company
10 is -- gets the certification that it seeks, if it
11 gets authority to be a residential household goods
12 mover, would you be in the position to recommend AMS
13 to your clients?

14 A. Yes, sir.

15 Q. Okay. How many -- could you give an
16 idea of the number of -- I'm just talking about
17 intrastate moves, people moving within South
18 Carolina, that involve your clients in a given time
19 period. How many you'd see or recommend or know
20 about within a given year?

21 A. That being a move within South Carolina?

22 Q. Yeah.

23 A. In 2011, I've roughly had
24 approximately -- I would say I had close to about 14
25 sales this year. Of those 14 sales, I would have to

1 say 11 of them were in-state moves and maybe 12 --
2 probably 12 state moves.

3 Q. Okay. Would you also be in a position
4 to recommend AMS to other brokers and employees of
5 Weichert?

6 A. Yes, sir.

7 Q. Okay. How many -- how many brokers and
8 agents does Weichert have?

9 A. I believe we have four brokers in-house.
10 Our main broker is Ray Covington. Other brokers in
11 our agency, there's two others as well as myself.
12 As far as agents, I believe we have approximately 38
13 that's on-board.

14 Q. Okay. All right. Following up on what
15 you've -- what you've already talked about, what do
16 you know right now about what the -- the current
17 need for moving services is for in-state moves? I
18 guess when I say current, I mean this year or now as
19 opposed to last year or sometime in the past. I
20 mean, how would you -- based on your experience how
21 would you characterize the demand -- the amount that
22 people are moving and the demand for moving services
23 in connection with those moves?

24 A. When you're dealing with first time home
25 buyers, they usually don't require a moving service.

1 They haven't acquired a lot of furniture per se.
2 When you're dealing with homeowners who are
3 seasoned, maybe this is their second home, their
4 third home, or you're dealing with military who has
5 come from overseas such as Germany or North Korea,
6 they come back with large items, a lot of stuff.

7 Q. Right.

8 A. When you're dealing with people looking
9 for homes 2500 square feet or more it is base --
10 3,000, 4,000 square feet, there's a big need for
11 moving companies. It's not something that
12 homeowners choose to go out and rent a U-HAUL and
13 move themselves. They have quite too much stuff to
14 move so --

15 Q. Okay.

16 A. -- they inquire about moving services.

17 Q. How would you characterize the current
18 need for those type of services for the 2500 square
19 foot homes and above right now? What is the demand
20 like for those types of moves compared to a year ago
21 or at some point in the past?

22 A. Well, it, obviously, has been reduced
23 due to the economy, people are trying to save money
24 where they can, but I still see the need there. I
25 mean, I would probably have to say -- I would

1 probably have to put a percentage on it. I would
2 say most people in that range, probably 70 to 75
3 percent are utilizing moving companies.

4 Q. Yeah. Okay. When you say reduced, do
5 you mean reduced compared to before this recession
6 started?

7 A. Yes.

8 Q. Okay.

9 A. We had a lot of people purchasing -- and
10 you referred to back before the market crashed many
11 mansions, homes that were in excess of 5,000 square
12 feet.

13 Q. Sure.

14 A. You know, people who just -- they were
15 buying bigger homes. Now, today, people are buying
16 smaller homes and downsizing a little bit, but the
17 need for moving services is still there because with
18 the military, which is a big source of income for
19 realtors in the Columbia area, military -- we have a
20 lot of soldiers coming in and out and they do
21 require moving services.

22 Q. Let me ask it this way and be a little
23 more specific. What is the need for moving services
24 like in your experience today, you know, at this
25 point, September 7th, 2011, compared to a year ago?

1 A. I'm going to say it's still the same.

2 Q. Okay.

3 A. There is a big need still for those
4 families that fall into those categories.

5 Q. Right.

6 A. So the need is still there. I don't
7 think it's something that's going to go away.

8 Q. Would you say there's more need now than
9 a year ago or --

10 A. I figure it's about the same.

11 Q. Okay.

12 A. Yeah.

13 Q. How about compared to 2008 or 2009?

14 A. 2009? It was a chunk due to the
15 Government's program where people had -- they got
16 the Government assistance of the \$8,000 if they
17 closed on or before April 30th.

18 Q. Right.

19 A. You saw a big influx of people
20 purchasing homes up to that point.

21 Q. Yeah.

22 A. After that went away, they kind of
23 extended that through I think the end of September.

24 Q. Yeah.

25 A. That same year and you still saw the

1 need for those moving services. Again 2009, it was
2 a little bit better for movers at that time than it
3 is now.

4 Q. Okay. All right. Based upon your
5 knowledge and experience if America's Moving
6 Services got the authority that it's seeking, would
7 there be enough business to go around for it to
8 exist?

9 A. I believe so.

10 Q. Okay. What makes you think that's the
11 case?

12 A. Well, I've seen in my business as of now
13 home building has not subsided, first of all.
14 There's a lot of new subdivisions that are popping
15 up in Lexington, in Blythewood, in Elgin, out in
16 Lugoff. I see a lot of people moving out towards
17 the Camden area. Yeah, I think there would still be
18 a need for America's Moving Services to get a piece
19 of the pie due to the fact that home building has
20 not subsided substantially.

21 Q. Okay. Do you have any other specific
22 knowledge about -- about where in South Carolina --
23 or from where in South Carolina people are moving to
24 Columbia or the Columbia area?

25 A. A lot of people are moving up from the

1 Summerville area that I know of, getting away from
2 the water area, you know, the Charleston area.

3 Q. Okay.

4 A. Due to the influx of such companies as
5 Amazon moving to the area, you know, that's been --
6 the big power plant up there in Jenkinsville. You
7 have a lot of people moving from Greenville to the
8 Columbia area. I know a lot of people are still
9 moving up to the Fort Mill area to search for jobs,
10 in the Charlotte area but they want to remain in
11 South Carolina for the income bracket. So in my --
12 I would say a lot of people I see are moving up from
13 the Coast or inland.

14 Q. All right. Are there any other factors
15 that you haven't talked about that in your
16 experience and your opinion demonstrate that there's
17 a current need for residential moving services in
18 South Carolina?

19 A. Not really, no.

20 MR. PRINGLE: Okay. All right. That's
21 all the questions that I have. Please answer any
22 questions that Ms. Hudson might have for you.

23 THE WITNESS: Okay. Great.

24 EXAMINATION

25 BY MS. HUDSON:

1 Q. Thank you. Good afternoon, Mr. Cross.

2 A. Hi.

3 Q. My name is Shannon Hudson, I'm an
4 attorney for the State of South Carolina. I work
5 for a State agency called the South Carolina Office
6 of Regulatory Staff.

7 A. Okay.

8 Q. We represent the public interest in
9 matters before the Public Service Commission. My
10 questions are going to be very similar to
11 Mr. Pringle's, and I don't have a lot of questions
12 for you.

13 A. Okay.

14 Q. How long have you lived in South
15 Carolina?

16 A. Nine years.

17 Q. You spoke earlier about the number of
18 sales this year. Would you say that this year has
19 been normal for you?

20 A. I would say normal being that I also
21 work a nine-to-five as well. I normally would sell
22 anywhere between 20 and 30 homes in a year, and I
23 believe -- I'll make the 20 to 25 mark this year.
24 That's about normal.

25 Q. You mentioned that Weichert is a full

1 service agency and that it will assist with moves?

2 A. Yes.

3 Q. How many relocations does Weichert
4 assist with during a month?

5 A. Wow. We are a company based out of New
6 Jersey. I mean, we get relocation service requests
7 all over the United States. As far as Columbia and
8 speaking just for myself, I would probably -- in a
9 week's time I would probably receive anywhere from
10 five to seven leads per week, and I'm just one
11 realtor.

12 The way it works is once you get a lead
13 it goes to another agent. So I would imagine our
14 office, with the number of agents that are working
15 full-time doing this, our office probably receives
16 in excess of 30 leads per month, you know, potential
17 leads.

18 Q. Of those --

19 A. And...

20 Q. I'm sorry. Of those leads, how many
21 come to fruition?

22 A. I would say out of every ten leads,
23 probably four.

24 Q. And those are moves within the State of
25 South Carolina; is that correct?

1 A. Pretty much, yes, ma'am. And the reason
2 why a lot of people moving from out of state have to
3 sell their homes where they're at, and some of those
4 markets have not yet recovered and are taking
5 longer. So most of our leads are pretty much
6 in-state.

7 Q. Do you think a lot of people are moving
8 into South Carolina from a lot of other states?

9 A. Yes, they would like to.

10 Q. In your opinion, can the market support
11 another mover?

12 A. Yes.

13 Q. Let me ask you. How do you know about
14 America's Moving Services?

15 A. Mr. Snijders was a client of mine who
16 purchased -- who came in through one of our Weichert
17 leads at one time, and that's how I've been able to
18 meet up with him. And I've worked with Mr. Snijders
19 for over a year looking at different houses, and I
20 met his brother and actually got an opportunity to
21 take a look at their facility and they've got a nice
22 -- they have a nice business going for them.

23 Q. What is the name of his brother?

24 A. His brother's name is Howard.

25 Q. So it's Eric that you were working with?

1 A. Yes, sir -- yes, ma'am.

2 Q. How do you choose which moving companies
3 you refer?

4 A. Well, I don't actually just pick one
5 when I'm offering a service to a client. I always
6 tell them these are my top two, top three as far as
7 closing attorneys, as far as termite inspectors,
8 heating and air inspectors, home inspectors or
9 moving companies. We always give our potential
10 client a list of services and whether we recommend
11 the top three, top four. And if they have questions
12 on any one, we tell them give them a call and
13 compare each one's prices and check them out
14 on-line. Any one of these three I would highly
15 recommend, that's how I go about the recommended.

16 Q. You testified earlier that you would
17 recommend AMS; is that correct?

18 A. Yes, I would. I would. But I would
19 still leave that choice up to the client to choose
20 which moving company they feel more comfortable
21 going with.

22 Q. Have you ever had any difficulty finding
23 a mover when you needed one?

24 A. No, ma'am.

25 MS. HUDSON: Thank you, Mr. Cross. I

1 have no other questions for you. I appreciate your
2 time this afternoon.

3 THE WITNESS: Thank you, Ms. Hudson.

4 MR. PRINGLE: And I don't have any more,
5 Mr. Cross. Thanks for your time. One other thing
6 I'll ask you about is sometimes people who have
7 their deposition taken ask for the ability to read
8 over it and sign it before it goes to the
9 Commission. You can make your own decision about
10 that. My own thought on that is I'm not sure that
11 there will be any words that were misspelled or
12 terms you might need to correct. And if you
13 don't -- if you waive reading and signing, which is
14 the term, then we'll just get the deposition sent to
15 the Public Service Commission.

16 THE WITNESS: That's fine. I'll waive.

17 MR. PRINGLE: All right. Well, thanks a
18 bunch for your time and good luck to you in your
19 various endeavors.

20 THE WITNESS: Thank you. You guys have
21 a great day.

22 (The witness, after having been advised
23 of his right to read and sign this transcript,
24 waives that right.)

25 (The deposition was concluded at 2:30 p.m.)

1 CERTIFICATE OF REPORTER
2

3 I, Lori S. Mortge, Certified Court
4 Reporter and Notary Public for the State of South
5 Carolina at Large, do hereby certify that the
6 foregoing transcript is a true, accurate, and
7 complete record.

8 I further certify that I am neither
9 related to nor counsel for any party to the cause
10 pending or interested in the events thereof.

11 Witness my hand, I have hereunto affixed
12 my official seal this 11th day of September, 2011 at
13 West Columbia, Lexington County, South Carolina.
14
15
16
17
18
19

20 Lori S. Mortge, CCR
21 My Commission expires
22 December 13, 2016
23
24
25

I N D E X

	Page	Line
STIPULATION	3	1
GARY CROSS	3	9
EXAMINATION	3	11
BY MR. PRINGLE		
EXAMINATION	18	24
BY MS. HUDSON		
CERTIFICATE OF REPORTER	24	1

REQUESTED INFORMATION INDEX

(No Information Requested)

E X H I B I T S

(No Exhibits Proffered)